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2 **BEFORE THE DEPARTMENT OF FINANCIAL INSTITUTIONS**

3 In the Matter the Appraiser's License of:

Case No. 3899

4 **ALBERT PAMIROYAN**
5 Certified Residential Appraiser
License No. 20691

CONSENT AGREEMENT

Respondent.

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7 In the interest of a prompt and judicious settlement of the above-captioned matter before the
8 Arizona Department of Financial Institutions ("Department"), and consistent with public interest,
9 statutory requirements and responsibilities of the Department, and pursuant to A.R.S. § 32-3601 *et*
10 *seq.* and A.R.S. § 41-1092.07(F)(5), Albert Pamiroyan ("Respondent"), holder of Appraisal License
11 No. 20691, and the Department enter into this Consent Agreement, Findings of Fact, Conclusions of
12 Law, and Order ("Consent Agreement") as the final disposition of this matter.

13 **JURISDICTION**

14 1. The Department is the state agency authorized pursuant to A.R.S. § 32-3601 *et seq.*, and
15 the rules promulgated thereunder, found in the Arizona Administrative Code ("A.A.C." or "Rules")
16 at Rules 4-46-101 *et seq.*, to regulate and control the licensing and certification of real estate
17 property appraisers in the State of Arizona.

18 2. Respondent held a license as a Certified Residential Appraiser in the State of Arizona,
19 License No. 20691. The license was issued on December 12, 1994 and expired on December 31,
20 2016.

21 3. A.R.S. § 32-3631(D) states, "[t]he 'lapsing or suspension of a license or certificate by
22 operation of law...shall not deprive the board of jurisdiction to do any of the following within
23 twenty-four months after the expiration of the license or certificate pursuant to section 32-3616: 1.
24 Proceed with any investigation of or action or disciplinary proceeding against the license or
25 certificate holder. 2. Render a decision suspending or revoking the license or certificate or denying
26 the renewal or right of renewal of the license or certificate."

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1 in Mirabel Village and was under contract for a purchase price of \$1,010,000.

2 11. The complaint ("Complaint No. 3899") alleged the following:

3 a. Respondent appraised the Subject Property on April 19, 2016 and the lender
4 communicated on April 26, 2016 that the appraised value met the purchase price of
5 \$1,010,000 (the "Original Report").

6 b. On May 5 (one week prior to close of escrow), the complainant and her client were
7 informed that the collateral review department of the lender rejected the Original
8 Report.

9 c. After receiving a list of challenges by the lender, Respondent revised the opinion of
10 value to \$870,000, and included three (3) additional comparable sales that the
11 complainant alleged were under improved, of inferior quality with no site
12 improvements, and not adequately supported (the "Revised Report").

13 12. On May 26, 2016, the Department sent a copy of Complaint No. 3899 to Respondent and
14 requested a written response to Complaint No. 3899 by June 24, 2016. The Department also
15 requested that Respondent provide a copy of the report and work file for the Appraisal.

16 13. On June 16, 2016, Respondent requested a 30-day extension to provide the requested
17 information, which was approved by the Department.

18 14. On July 25, 2016, Respondent informed the Department he would be providing the
19 requested information later on that same day. Respondent made a similar statement on August 1,
20 2016. Respondent failed to deliver the information on both occasions.

21 15. On November 2, 2016, the Department issued a subpoena (the "Subpoena") ordering
22 Respondent to produce a copy of the report and work file for the Appraisal. Respondent's response
23 to the Subpoena was due on or before November 18, 2016. Respondent failed to respond to the
24 Subpoena within the allotted timeframe.

25 16. On January 12, 2017, the Department filed a Complaint and Notice of Hearing for
26 Revocation of License.

1 17. Respondent requested an informal settlement conference with the Department, which
2 took place on January 26, 2017. At that time, Respondent provided a copy of the report and work
3 file for the Appraisal.

4 18. The Department reviewed the Appraisal and found the following errors:

5 a. In the Revised Report, Respondent added Comparable No. 7, Comparable No. 8 and
6 Comparable No. 9 into the sales comparison approach grid without adequate
7 discussion, analysis or support.

8 i. In response to the lender's first reconsideration request, Respondent originally
9 rejected Comparable Nos. 7 and 8 due to those being new home builder sales.
10 There is no discussion, analysis or support of why Respondent changed his mind
11 to add Comparable Nos. 7 and 8 after receiving a second reconsideration request
12 from the lender when the Subject Property is seven years old.

13 ii. The new home builder sales added as Comparable Nos. 7 and 8 were constructed
14 by Taylor Morrison, a tract home builder. The Subject Property was constructed
15 by Amberwood Homes, a custom home builder. The Subject Property has very
16 high-end finishes that are superior to tract home upgrades. There is no discussion,
17 support or analysis of condition or quality adjustments.

18 iii. The new home builder sales added as Comparable Nos. 7 and 8 have no
19 landscaping. Respondent states in his report that "no landscape adjustments were
20 made as there was an insufficient amount of market data to effectively analyze
21 this amenity/feature." There is not adequate support to conclude that full
22 landscaping on a one-acre custom home site has no contributory value.

23 iv. Comparable No. 9 is located in the Sierra Norte development, while the Subject
24 Property is located in Mirabel Village. The median selling price per square foot
25 in Sierra Norte is nearly twenty percent lower than the median prices in Mirabel
26 Village.

- 1 b. There is no analysis of the sales contract. Respondent did not explain why his initial
2 valuation in the Original Report supported the contract purchase price while the
3 Revised Report came in with a value significantly lower than the contract purchase
4 price.
- 5 c. All of the commentary in the Original Report supporting Respondent's initial value
6 opinion is still in the Revised Report and contradicts the changes made.
- 7 d. Respondent's Scope of Work states the "appraiser must, at a minimum...inspect each
8 of the comparable sales from at least the street." In direct contradiction, Respondent
9 used photos for Comparable Nos. 7, 8 and 9 that were taken from MLS because he
10 performed the revision request from a remote location.

11 **CONCLUSIONS OF LAW**

12 19. The Department has personal and subject matter jurisdiction in this case under A.R.S. §
13 32-3601 et seq., and is authorized to seek disciplinary action against any licensed or certified real
14 property appraiser in the State of Arizona for violations of the Arizona Revised Statutes ("A.R.S." or
15 "Statutes"), Rules or the standards of practice adopted by the Department.

16 20. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State of Arizona
17 must comply with the standards of practice adopted by the Department. The standards of practice
18 adopted by the Department are codified in the Uniform Standards of Professional Appraisal Practice
19 ("USPAP") edition applicable at the time of the appraisal.

20 21. The conduct described above constitutes violations of the following provisions of the
21 USPAP, 2016-2017 edition, and Statutes:

22 **Standards of Professional Practice: Scope of Work Rule; SR 1-1(a)(b)(c); SR 1-4(a); SR**
23 **1-5(a); SR 2-1(a)(b); SR 2-2(a)(viii); A.R.S. § 32-3631(A)(8); and A.R.S. §§ 32-3635(A)(B).**

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ORDER

22. The Department considers this to be a disciplinary action and these violations to constitute a Level III¹ (out of five): “[V]iolations that rise to the level of affecting the credibility of an assignment.”

23. Respondent must undertake twenty-two (22) hours of corrective education consisting of a **15-hour USPAP class with exam and a 7-hour class on Scope of Work**. These two courses will not count toward the continuing education requirements of the Respondent and must be completed within six (6) months of the Effective Date (as defined below) of this Consent Agreement.

24. The Department places Respondent’s license as a Certified Residential Appraiser on **probation for a minimum period of six (6) months**. The term of this probation shall commence on the day the Division Manager, on behalf of the Superintendent, signs this Consent Agreement into effect (the “Effective Date”).

25. Respondent shall comply with all USPAP, Department Statutes and Rules during this period of probation and in performing all appraisals.

26. Respondent shall: (a) demonstrate resolution of the problems that resulted in this disciplinary action; and (b) otherwise comply with the terms of this Consent Agreement.

27. Respondent shall file an appraisal log with the Department on a monthly basis listing every Arizona appraisal that he has completed within the prior calendar month by property address, appraisal type, valuation date, the date the appraisal was issued, and the number of hours worked on each assignment. Respondent shall file the report log monthly, beginning the first day of the month following the start of Respondent’s probationary period and continuing each month thereafter until the Department terminates the probation. If the log reporting date falls on a Saturday, Sunday or holiday, the report log is due on the next business day. **Respondent must still file an appraisal log with the Department even if Respondent performs no appraisals within a given month.** The

¹ Using the “Voluntary Disciplinary Action Matrix” developed by the Appraisal Foundation.

1 monthly log report may be filed by regular mail, email or facsimile.

2 28. The Department reserves the right to audit any of Respondent's reports during the
3 probationary period. The Department may seek separate disciplinary action against the Respondent
4 for any violation of USPAP, Department Statutes or Rules discovered in an audit of the
5 Respondent's appraisal reports provided under the terms of this Consent Agreement.

6 29. **Respondent's probation shall continue until: (a) Respondent requests in writing**
7 **that the Department terminates his probation and (b) the Department terminates the**
8 **probation.** Upon petition by the Respondent for termination of probation, the Department will
9 select and audit three (3) of Respondent's appraisal reports for purposes of determining whether
10 Respondent has demonstrated resolution of the problems that resulted in this disciplinary action and
11 overall USPAP compliance.

12 30. If the Department determines, after auditing the three (3) reports mentioned in the
13 preceding paragraph, that Respondent has not complied with all the requirements of this Consent
14 Agreement, the Department, at its sole discretion, may continue the probation or institute
15 proceedings for noncompliance with this Consent Agreement, which may result in suspension,
16 revocation, or other disciplinary and/or remedial action. If the Department determines that
17 Respondent has complied with all of the requirements of this Consent Agreement, the Department
18 will terminate the probation.

19 31. Respondent shall not act as a supervising appraiser for other appraisers or trainees, nor
20 shall Respondent act as a mentor, during the term of the probation.

21 32. Respondent shall not teach any course related to real estate appraisals during the term of
22 the probation.

23 33. Respondent has read and understands this Consent Agreement as set forth herein, and has
24 had the opportunity to discuss this Consent Agreement with an attorney or has waived the
25 opportunity to discuss this Consent Agreement with an attorney. Respondent voluntarily enters into
26 this Consent Agreement for the purpose of avoiding the expense and uncertainty of an administrative

1 hearing.

2 34. Respondent understands that he has a right to an administrative hearing concerning each
3 and every allegation set forth in the above-captioned matter, at which administrative hearing he
4 could present evidence and cross-examine witnesses. By entering into this Consent Agreement,
5 Respondent knowingly, willfully and voluntarily relinquishes all rights to such an administrative
6 hearing, as well as all rights of rehearing, review, reconsideration, appeal, judicial review or any
7 other administrative and/or judicial action, concerning the matters set forth herein. Respondent
8 affirmatively agrees that this Consent Agreement shall be irrevocable.

9 35. Respondent understands that this Consent Agreement, or any part thereof, may be
10 considered in any future disciplinary action against him.

11 36. The parties agree that this Consent Agreement constitutes final resolution of this
12 disciplinary matter.

13 37. If Respondent fails to comply with the terms of this Consent Agreement, the Department
14 at its sole discretion may continue the probation or institute proceedings for noncompliance with this
15 Consent Agreement, which may result in suspension, revocation, or other disciplinary and/or
16 remedial actions. Respondent agrees that any violation of this Consent Agreement is a violation of
17 A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of the provisions of the
18 Statutes or the Rules regulating the professional appraisal practice.


19 38. Respondent understands that this Consent Agreement does not constitute a dismissal or
20 resolution of other matters currently pending before the Department, if any, and does not constitute
21 any waiver, express or implied, of the Department's statutory authority or jurisdiction regarding any
22 other pending or future investigation, action or proceeding. Respondent also understands that
23 acceptance of this Consent Agreement does not preclude any other agency subdivision or officer of
24 this state from instituting other civil or criminal proceedings with respect to the conduct that is the
25 subject of this Consent Agreement.

26 39. Respondent understands that the foregoing Consent Agreement shall not become

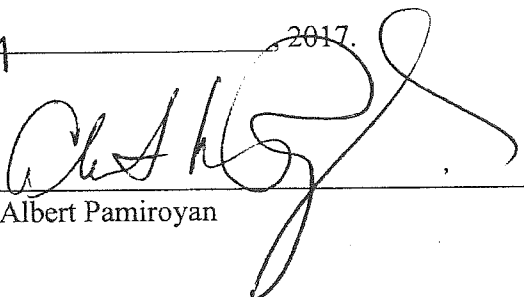
1 effective unless and until adopted by the Division Manager and executed on behalf of the
2 Superintendent. Any modification to this original document is ineffective and void unless mutually
3 approved by the parties in writing.

4
5 RESPECTFULLY SUBMITTED this 21st day of February, 2017.

6 Robert D. Charlton
7 Superintendent of Financial Institutions

8 By: 
9 Ron Doba, Division Manager
10 Financial Services
11 Department of Financial Institutions

12 DATED this 17th day of February, 2017.

13 By: 
14 Albert Pamiroyan
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1 ORIGINAL of the foregoing filed this
2 21st day of February, 2017,
in the office of:

3 Robert D. Charlton, Superintendent
4 Arizona Department of Financial Institutions
5 ATTN: June Beckwith
6 2910 N. 44th Street, Suite 310
Phoenix, AZ 85018
JBeckwith@azag.gov

7 COPY of the foregoing mailed and/or emailed same date to:

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